OFFERING MEMORANDUM

LEAF & PALM REALTY CORP.
BROKERAGE

591 12TH STREET

HANOVER, ONTARIO

15-UNIT MULTIFAMILY INVESTMENT OPPORTUNITY • ALL TWO-BEDROOM SUITES

CAPITAL MARKETS | INVESTMENT PROPERTIES GROUP

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LISTING BROKERAGE

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BROKERAGE

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01 Investment Summary

Leaf & Palm Realty Corp. is pleased to present 591 12th Street, a 15-unit multifamily investment opportunity located in Hanover, Ontario. The property is configured entirely as two-bedroom suites, offering a rare single-format, single-manager rent roll in a tightly-held small-town rental market. Current in-place rents average $1,447 per suite per month (ranging $770 to $1,850 across the mix of legacy and renovated tenancies), while an independent appraisal estimates the property's own turnover/market rent at $1,850 per suite — and active listings for comparable 2-bedroom units in Hanover currently run $1,950 to $2,100. The asking price of $3,100,000 matches the concluded market value in an independent appraisal prepared by Otto & Company (effective December 10, 2024), giving a purchaser third-party validation of pricing alongside a clear, substantially de-risked path to increased income.

Note: financial and building details below are sourced from the January 8, 2025 appraisal report by Otto & Company (File 24.12.643), prepared for the current owner.

$3,100,000
ASKING PRICE

15
TOTAL UNITS

$206,667
PRICE PER UNIT

$1,447
AVG. IN-PLACE RENT

100%
TWO-BEDROOM SUITES

11.90x
GROSS RENT MULTIPLIER

UNIT MIX

Unit Type	Units	Mix	Avg. In-Place Rent	Monthly GPR
2 Bedroom / 1 Bath	15	100%	$1,447	$21,711
Total / Average	**15**	**100%**	**$1,447**	**$21,711**

Investment Highlights

INDEPENDENT APPRAISAL VALIDATES PRICING

A January 2025 appraisal by Otto & Company (AACI-certified, effective December 10, 2024) concluded a current market value of $3,100,000 — matching the asking price exactly, via both the Income and Comparative Approaches.

PROVEN, SUBSTANTIAL RENT UPSIDE

In-place rent averages $1,447/month, but individual suites range from $770 to $1,850, and the appraiser's own market-rent conclusion for the subject is $1,850/suite once units are turned over — roughly $72,600/year of upside, before even reaching current active-listing rents of $1,950–$2,100 for comparable Hanover 2-bedroom units.

ONLY 5 OF 15 SUITES RENOVATED TO DATE

The building has been well maintained (average to above-average condition, no deferred maintenance per the appraisal), but 10 of 15 suites have not yet received the interior refresh that is already driving higher rents on the other 5 — upside is proven in-house, not theoretical.

UNIFORM 2-BEDROOM FORMAT

All 15 suites are configured as two-bedroom units, simplifying management, marketing, and turnover planning versus a mixed-unit building.

ANCHORED LOCAL ECONOMY

Hanover is the economic centre for southern Grey County, home to Hanover & District Hospital, Gateway Casinos, Hanover Raceway, and a cluster of automobile dealerships and manufacturers, supporting a steady base of local renters.

02 Property Overview


LIVING AREA


KITCHEN



HALLWAY / STAIRWELL


RENOVATED BATHROOM


SUITE INTERIOR


LIVING / DINING AREA

Property Summary

Address	591 12th Street, Hanover, ON
Legal Description	Lots 26 & 27, Plan 792, Town of Hanover
Units	15 (15 x 2 Bedroom / 1 Bath)
Year Built	Early 1970s
Building Style	3-level walk-up + lower/daylight level
Floor Area	10,320 sf above grade (+ lower level)
Lot Size	18,036 sf / 0.41 acre (120 x 150.3 ft)
Zoning	R5 — Residential Type 5 Zone
Site Coverage	19%
Services	Full municipal (water, sewer, hydro, gas)

BUILDING & UNIT FEATURES

Poured concrete foundation; brick veneer & metal siding exterior

Roof: rubber membrane, above-average condition

Vinyl double-pane windows and patio doors throughout

400-amp, 3-phase electrical service, individually metered

Hot water boiler with radiant heat

Full sprinkler system, fire alarm with pull stations

Average to above-average condition — no deferred maintenance noted

5 of 15 suites extensively renovated, plus a common-area refresh

Effective age ~18–20 years; 40+ years remaining effective life

PIN 372020043 • Roll No. 42-29-904-003-09400 • 2024 Assessed Value $814,000 • 2024 Property Taxes $15,651. Source: Otto & Company appraisal, effective Dec. 10, 2024.

03 Rent Roll Summary

Unit Type	# of Units	Avg. Unit Rent	Monthly Rent	Annual Rent
2 Bedroom / 1 Bath	15	$1,447	$21,711	$260,530
Total / Average	**15**	**$1,447**	**$21,711**	**$260,530**

Individual suite rents range from $770 to $1,850/month, reflecting a mix of long-tenured (legacy) and recently renovated units.

RENT UPSIDE — PER INDEPENDENT APPRAISAL

	In-Place	Appraised Market*	Monthly Upside	Annual Upside
Avg. Rent / Suite	$1,447	$1,850	$403	$4,836
Gross Potential Rent (Building)	$260,530	$333,000	$6,045	$72,470

**Appraised market rent of $1,850/suite is Otto & Company's own conclusion for the subject upon turnover (appraisal effective Dec. 10, 2024). Active listings for comparable 2-bedroom units elsewhere in Hanover run higher still, roughly $1,950–$2,100, suggesting further room beyond the appraiser's figure.*

$3,100,000	$206,667	11.90x	9.31x
ASKING PRICE	PRICE / UNIT	GRM (IN-PLACE)	GRM (APPR. MARKET)

Operating Statement

Line Item	Amount	Notes
Gross Potential Rent (In-Place)	$260,530	*15 suites @ $1,447/mo avg. (stated rents)*
Vacancy & Credit Loss (2.0%)	($5,211)	*Appraiser's stabilized vacancy allowance*
Laundry Income	$1,500	*Reported by owner, used as-is*
Effective Gross Income	**$256,819**	—
Property Taxes	($15,651)	*2024 Town of Hanover tax bill*
Insurance	($5,900)	*Annualized premium*
Utilities (Water / Hydro / Gas)	($27,300)	*Stabilized; tenant pays own hydro*
Landscaping, Snow & Custodial	($6,000)	*Annualized contract cost*
Management (7.0% of EGI)	($17,978)	*3.5% project + 3.5% on-site management*
R&M Reserves ($750/unit)	($11,250)	*Interior & exterior components*
Net Operating Income (NOI)	**$172,740**	—
Cap Rate (at $3,100,000)	**5.57%**	*Appraiser's concluded range: 5.5%–6.0%*

Source: Otto & Company appraisal report (File 24.12.643), effective December 10, 2024. Figures reflect the appraiser's stabilized pro forma operating statement, prepared from owner-supplied income data and market-verified expense benchmarks.

04 Appraisal & Valuation Summary

An independent appraisal of 591 12th Street was prepared by Otto & Company, Real Estate Analysts & Consultants (AACI-designated, est. 1993), for the current owner. The report was completed in accordance with the Appraisal Institute of Canada's Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP).

Appraiser	Otto & Company — D. Robert Eagleson (AIC Candidate Member); co-signed by Jason C. Otto, B.Sc., AACI, P.App
File Number	24.12.643
Effective Date	December 10, 2024
Report Date	January 8, 2025
Interest Appraised	Leased Fee
Purpose	Current market value, as-is — extension of credit / first mortgage financing

VALUE CONCLUSIONS

Valuation Method	Value Range
Comparative Approach (5 sales comparables)	$2,850,000 – $3,150,000
Income Approach (5.5%–6.0% cap rate)	$2,875,000 – $3,150,000
Concluded Current Market Value	**$3,100,000**

The appraiser's concluded market value matches the property's $3,100,000 asking price exactly, providing an independent, third-party benchmark for a prospective lender or purchaser.

Sales Comparables

Per Otto & Company appraisal — comparable multi-family transactions in mid-western Ontario

Address	Sale Date	Price	Units	Unit Mix	$ / Unit
41 Church St N, St. Marys	Sep 2022	$4,350,000	24	12x1BR / 12x2BR	$181,250
67 King St, Tiverton	Nov 2023	$1,100,000	6	1x1BR / 5x2BR	$183,333
57 William St, Milverton	May 2022	$1,250,000	6	1x1BR / 5x2BR	$208,333
165/185 McDonald St E, Listowel	Jun 2024	$2,650,000	12	12x2BR (2 bldgs)	$220,833
243 Main St E, Palmerston	Aug 2023	$1,600,000	6	1x1BR / 5x2BR	$266,667

Unadjusted range: $181,250 – $266,667/unit (median $208,333). After adjusting for financing, market conditions, location, building size/condition, and site coverage, the appraiser applied an adjusted range of $190,000–$210,000/unit to the subject's 15 units.

IMPLIED VALUE RANGE

Complex Size	Rate / Unit	Estimated Value
15 units	Low — $190,000/unit	$2,850,000
15 units	High — $210,000/unit	$3,150,000

05 Market Overview — Hanover, Ontario

Hanover is a town of approximately 8,000 residents in Grey County, in southwestern Ontario, situated on the Saugeen River. The Town's main commercial corridor, 10th Street (Highway 4), connects to Highway 9 to the south and Highway 6 to the east, making Hanover the economic centre for southern Grey County and its surrounding agricultural community (Grey County population ~100,900). Hanover has a diversified business and industrial base and is home to a cluster of automobile dealerships, Gateway Casinos, Hanover Raceway, and Hanover & District Hospital. Per the appraiser, development and general value trends in the immediate neighbourhood are stable, with no negative influences noted. Regional centres are within reach via Highway 9/6: Owen Sound (~45 km), Guelph (~85 km), and Walkerton (~10 km).

~8,000 Population (Town of Hanover)

~100,900 Population (Grey County)

~45 KM To Owen Sound (NE)

~10 KM To Walkerton (W)

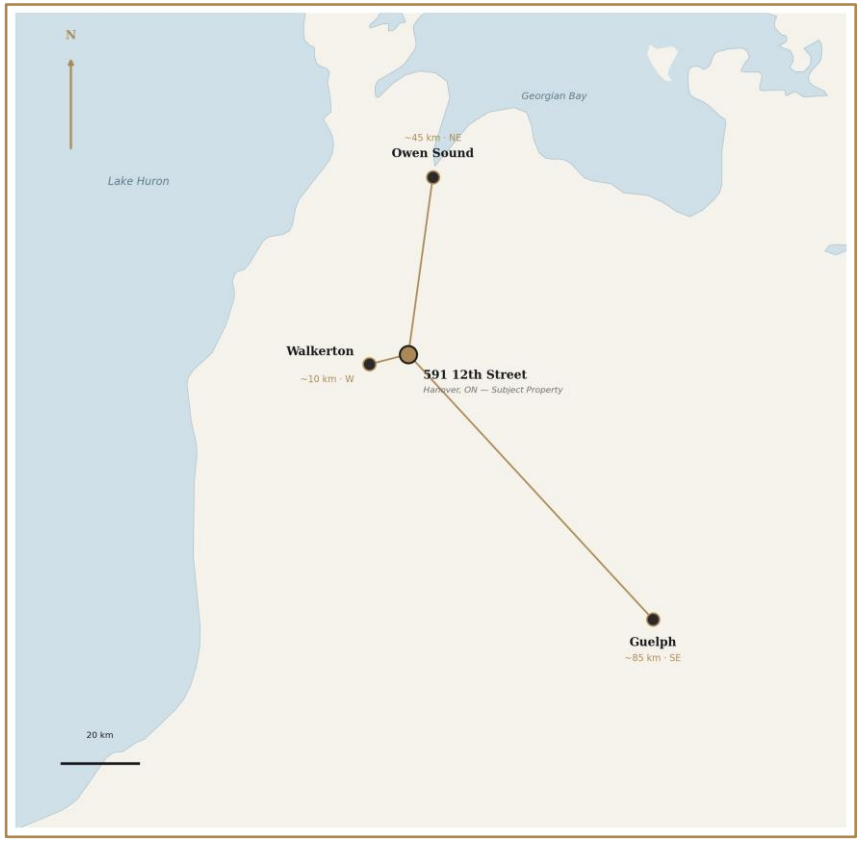
Anchor Employers & Amenities

- Hanover & District Hospital
- Cluster of automobile dealerships along the Hwy 4/10th St corridor
- Gateway Casinos and Hanover Raceway
- Diversified manufacturing and agricultural service base

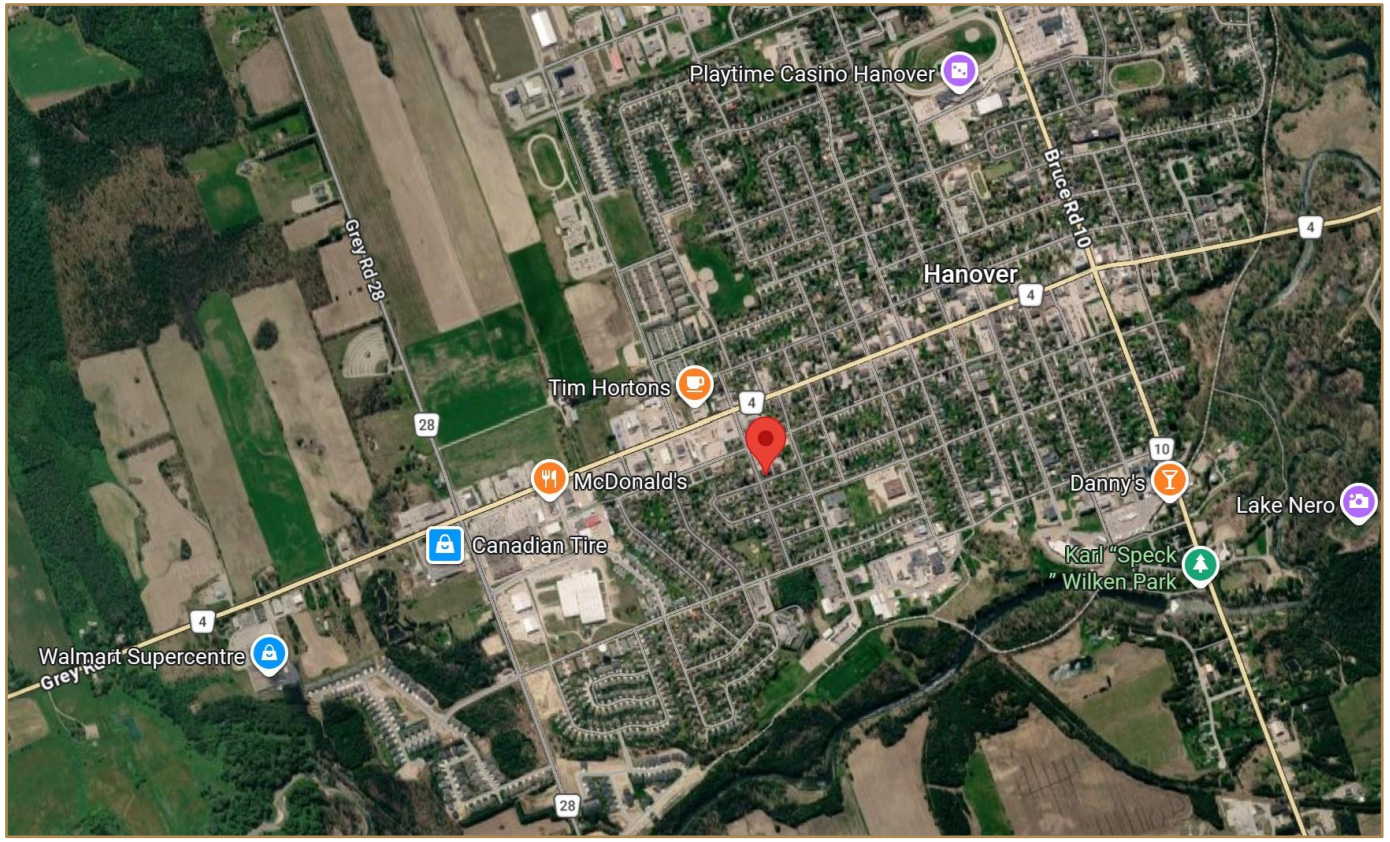
Source: Otto & Company appraisal report, File 24.12.643.

Location Overview — Hanover, Ontario

Regional context and immediate neighbourhood, relative to the subject property



Regional context — nearby communities



Immediate neighbourhood — walkable amenities near 591 12th Street

Base map (left): Natural Earth. Aerial imagery (right): Google Maps. Distances are approximate, per Otto & Company appraisal report, File 24.12.643.

Hanover & Grey-Bruce

Economic Growth & Investment Snapshot

A GROWING REGIONAL HUB

Hanover is emerging as an important residential, employment and service centre for southern Grey County and the broader Grey-Bruce region, with strong fundamentals for continued housing and rental demand.

GREY COUNTY — GROWTH TO 2051

	2026	2051	Growth
Population	115,270	148,580	+33,310
Households	46,640	60,990	+14,350
Employment	44,520	60,260	+15,740

Grey County projects average population growth of approximately 1.2% annually through 2051.

1,600+ ACRES ADDED FOR HANOVER'S FUTURE

Effective May 1, 2026, more than 1,600 acres were transferred from West Grey to Hanover — new capacity for residential, commercial and industrial growth, after Hanover's prior land supply was projected to run out by approximately 2046.

DIVERSE & ESTABLISHED EMPLOYMENT BASE

Anchored by manufacturing, healthcare, retail, construction and education, with major employers including:

Hanover & District Hospital • Exceldor Foods • Maple Leaf Foods • P&H Milling Group • Edgewell • Electrical Contacts • West Bros. Furniture • Walmart • Local School Boards

2026 Business Retention & Expansion Study: strong interest in growth and investment, while workforce and employee-housing availability are cited as key challenges.

THE GREY-BRUCE ECONOMIC ENGINE

Hanover also benefits from the broader Grey-Bruce economy, anchored by Bruce Power and Ontario's nuclear-energy supply chain — supporting approximately 22,000 jobs, with another 5,000 created annually through its ongoing investment program.

8,473 — Population reported in Hanover's latest community profile

10,027 — Daytime population

946 — Businesses operating in the community

160,000+ — Annual visitors

5× — Hanover's service area draws from a population more than 5× its own within a 30-km radius

INVESTMENT OUTLOOK

Grey County forecasts 33,000+ additional residents, 14,000+ additional households and 15,000+ additional jobs by 2051 — supporting the long-term case for professionally managed rental housing in Hanover and the broader Grey-Bruce market.

Rent Comparables — Hanover, ON

2-bedroom apartment rents — appraisal survey data and active online listings

Rent Benchmark	Monthly Rent
CMHC Survey Average — 2BR, Owen Sound region*	$1,213
591 12th Street — Current In-Place Average	$1,447
591 12th Street — Appraiser's Market Rent Conclusion	**$1,850**
Active Listings — Comparable Hanover 2BR Units†	$1,950 – $2,100

**CMHC vacancy for the area is reported near 1.4%; no Hanover-specific CMHC survey was available, so the appraiser used the nearby Owen Sound region as a proxy. The appraiser noted that long-tenured (legacy) rents skew this survey average well below current asking rents.*

†Active Hanover, ON rental listings (rentals.ca), reviewed September 2026 — advertised asking rents on comparable 2-bedroom units, not verified leases; provided as a directional market check beyond the appraiser's own conclusion.

Confidentiality & Disclaimer

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Financial and physical information in this Memorandum is drawn from an appraisal report prepared by Otto & Company (File 24.12.643, effective December 10, 2024) and from the Seller. This information has not been independently verified by Leaf & Palm Realty Corp. for accuracy or completeness, and is subject to correction, change, or withdrawal without notice. Prospective purchasers should conduct their own independent investigation, due diligence, and financial analysis, and should consult their own legal, tax, and financial advisors before relying on any information contained in this Memorandum.

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Broker Disclosure: Dominic Spedaliere, the broker of record for this listing, is also a shareholder of Valetree Developments Inc., the registered owner of the Property. This relationship is disclosed to all prospective purchasers as required under applicable Ontario real estate legislation and does not affect the accuracy of the information contained in this Memorandum.

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